

REMARKS/ARGUMENTS

Applicants thank Examiner Nguyen for the courtesy extended to applicants' undersigned attorney during the interview on May 25, 2006.

Reconsideration and allowance of the present application based on the following remarks are respectfully requested.

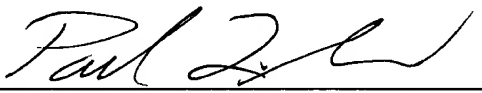
Upon entry of the above amendments claims 7-15 and 18-53 will be pending. New claims 18-53 have been added. The new claims and the amendments to the claims are fully supported throughout the specification at, for example, paragraphs 0028, 0063, 0074, 0104 and 0177. In particular, for example, the specification discloses a feedstock having a viscosity greater than about 375. Specifically, the viscosity element recited in new claim 18 is supported through direct multiplication of the terms provided in the specification at paragraph 0028 which discloses that the upgraded heavy oil (liquid product) has "a viscosity at 40°C.(cSt) *from about 15 to about 300*" (emphasis added) and paragraph 0074 which discloses that the liquid product has viscosity levels "*more than 25 fold lower* than that of the feedstock ... as determined at 40°C" (*i.e.*, the feedstock has a viscosity more than 25 times higher than that of the liquid product. Moreover, new claim 44 is supported in the specification at 0104. Accordingly, no new matter has been added.

Claims 7-15 stand rejected under 35 U.S.C. § 103(a) as obvious over U.S. Pat. No. 5,792,340 ("Freel") in view of U.S. Patent No. 5,858,213 ("Chomyn") or U.S. Patent No. 5,626,741 ("Mosby").

Applicants submit that the claims are patentably distinct over Freel in view of Chomyn and Mosby. In particular, neither Chomyn nor Mosby teaches a method of producing a VGO by isolating VGO from a product stream resulting from the upgrading process of the present invention.

In view of the foregoing, the claims are now believed to be in form for allowance, and a Notice that effect is earnestly solicited. If any points remain in issue which the Examiner feels may be best resolved through an additional personal or telephone interview, he is kindly requested to contact the undersigned at the telephone number listed below.

Respectfully submitted,
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